



سيسكو
SISCO
الشركة السعودية للخدمات الصناعية
Saudi Industrial Services Company

SAUDI INDUSTRIAL SERVICES COMPANY

Investor Presentation

September 2021

YOUR PARTNER IN

Ports & Terminals | Logistics Parks & Services | Water Solutions

Disclaimer

This presentation is strictly confidential and is being shown to you solely for your information and may not be reproduced, retransmitted, further distributed to any other person or published, in whole or in part, for any purpose.

This presentation has been prepared by Saudi Industrial Services Company (SISCO) and reflects the management's current expectations or strategy concerning future events and are subject to known and unknown risks and uncertainties.

Some of the statements in this presentation constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect SISCO's current intentions, plan, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside SISCO's control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. SISCO undertakes no obligation to revise any such forward-looking statements to reflect any changes to its expectations or any change in circumstances, events, strategy or plans. Because actual results could differ materially from SISCO's current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained in this presentation with due care and caution and seek independent advice when evaluating investment decisions concerning SISCO.

No representation or warranty, express or implied, is made or given by or on behalf of SISCO or any of its respective members, directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in or discussed at this presentation.

This presentation does not constitute an offer or invitation to purchase any shares or other securities in the Company and neither it nor any part of it shall form the basis of, or be relied upon in connection with, any contact or commitment whatsoever.

Contents

- Our business and strategy
- Our market
- Performance highlights
- Segmental review
- Appendix

BUSINESS AND STRATEGY

Our business

An unrivalled opportunity for exposure to a diversified portfolio of assets spanning **ports and logistics**, **industrial services**, and **water solutions**, managed by an **experienced leadership team** and underpinned by a **clear strategic investment philosophy** that is designed to unlock growth opportunities

PORTS



Shareholding – 36.36%

- Construction and operation of container terminal at Jeddah Islamic Port
- Accumulated throughput of > 15 million TEUs
- #1 container terminal in Saudi Arabia
- 30 years concession agreement with Saudi Ports Authority (Mawani)
- Focused on Jeddah region and connectivity across Saudi Arabia

Revenue drivers

- Containers handled x revenue per TEU
- Other container revenue
- Non container revenue

LOGISTICS



Shareholding – 76%

- Full range of logistic solutions covering warehousing, storage and transportation
- First Bonded & Re-Export Zone in the Kingdom in 1999.
- Operate a total of 1 million square meters space



Shareholding – 33.3%

- Full range of specialised logistics services to the chemical and petrochemical industries
- Transportation solutions for bulk liquids, dry bulk and packed products.

Revenue drivers

- Leased space x price per sqm
- Freight x freight rates

WATER



Shareholding – 65%

- First private water desalination and distribution plants in Kingdom.
- Designed capacity of 22 million cubic meters per year.
- O&M services to industrial sector.



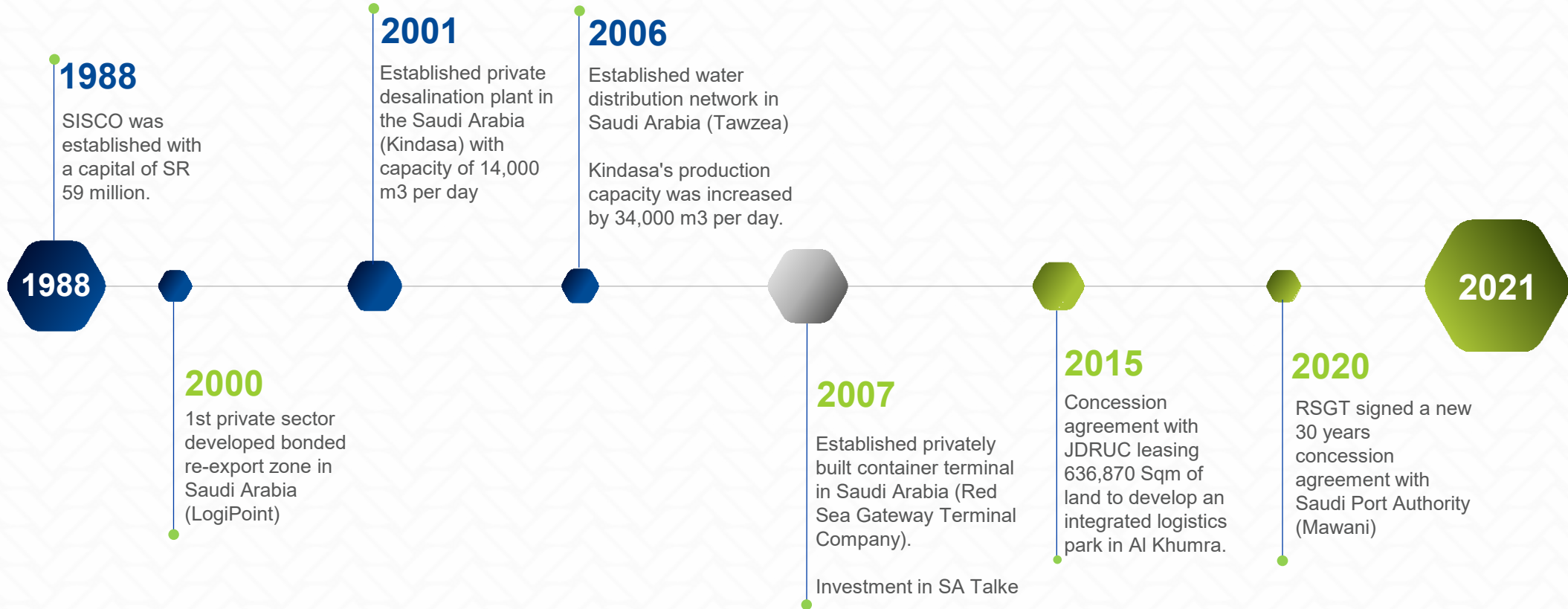
Shareholding – 50%

- Management of industrial cities, operation and maintenance of Potable Water and Waste Water facilities.
- Successful privatization of the water sector in Saudi Arabia and PPP project

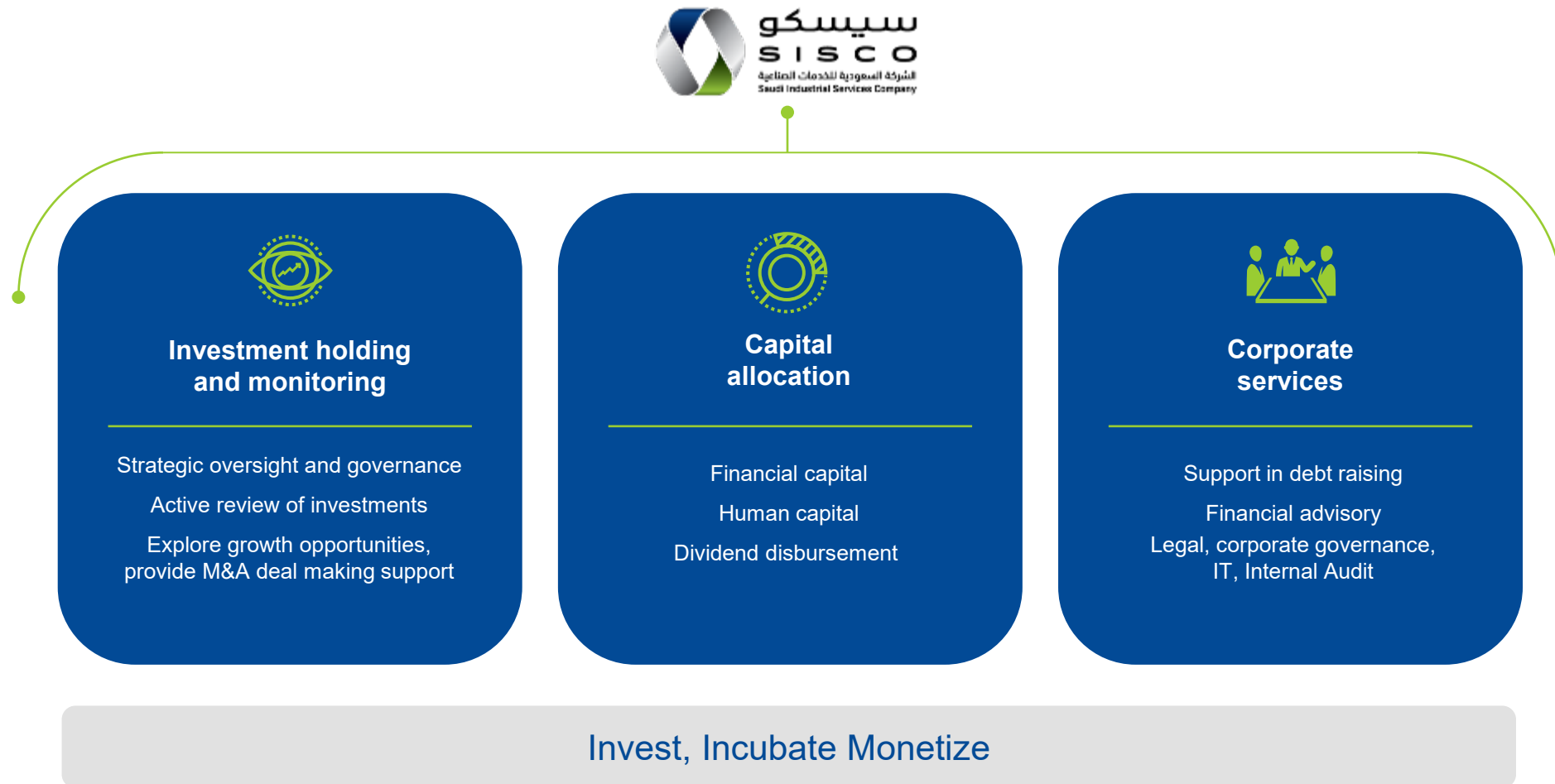
Revenue drivers

- Water sales - cubic meters (potable, waste and recyclable)

SISCO timeline



Our operating model



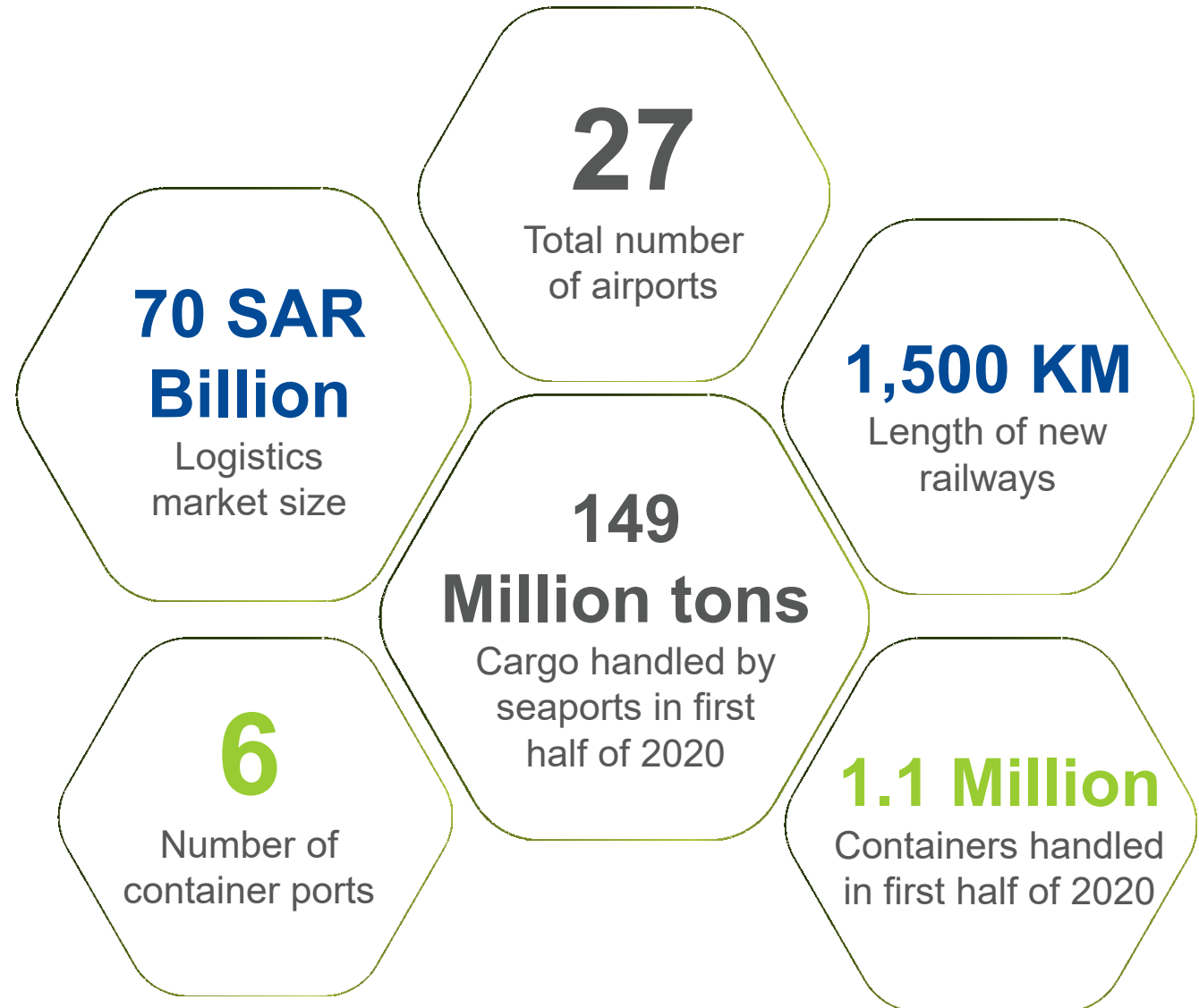
OUR MARKET

Robust market dynamics and operating environment

Saudi growth agenda provides supportive operating environment

Saudi Arabia's 2030 Vision aims to maximize the benefits of its exceptional and strategic geographic position by building a unique transport & logistics hub in the region.

Saudi Arabia is uniquely positioned at the crossroads of important international trade routes, amidst three continents: Asia, Europe and Africa,





2021 REVIEW

Highlights 1H21

Financial highlights



Strong year-on-year revenue growth of 13.4% for Q2 and 30.1% for 1H (excluding accounting construction revenue)



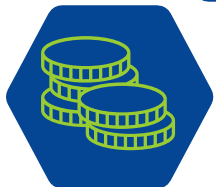
Gross profit increased 6.6% from Q2 2020 although **gross margins** declined by 3.3% during the period



Q2 Adjusted Net income of SAR 22.5m increased 104.8%



Adjusted **EBITDA** at SAR 279.1m, **increasing** 62.6% vs 1H 2020



Adjusted earnings per share stood at **SAR 0.28** for Q2 2021, compared to SAR 0.13 in Q2 2020

Operating highlights

Strong **operating performance** across **all** segments

Healthy **growth in transshipment volumes** and **logistics** and **warehousing** services

Positive growth in **Jeddah Islamic Port**, **12% throughput** increase y-o-y

Gateway volumes under pressure across the Kingdom

Gradual improvement for **water solutions**

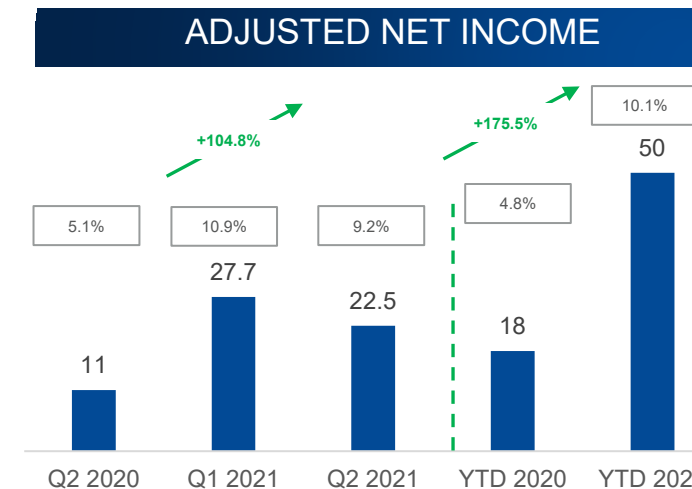
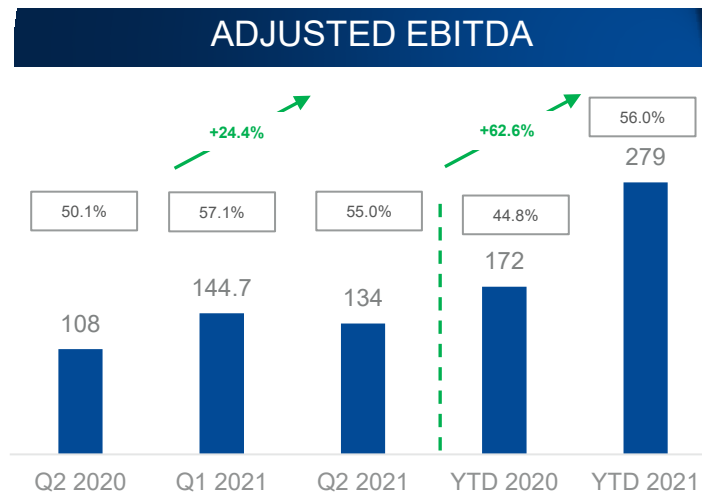
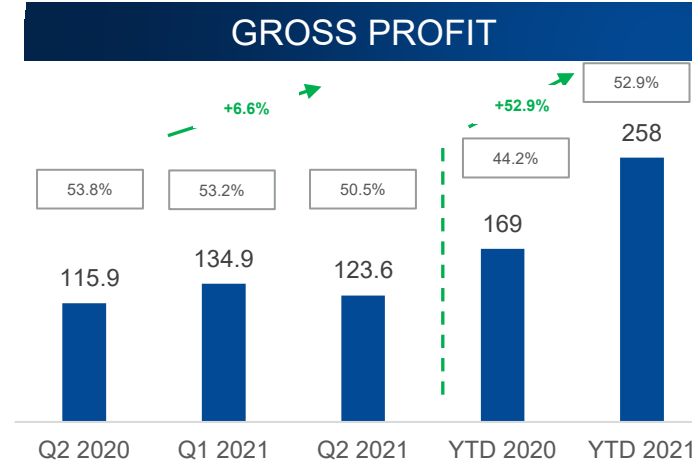
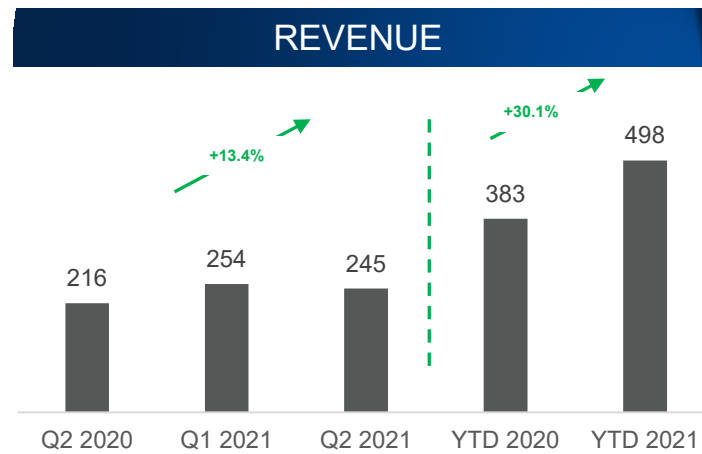
Strategic sale of 21.2% equity stake in RSGT to PIF and COSCO



PERFORMANCE REVIEW

Income statement highlights

SAR millions (adjusted: excludes accounting construction revenue)

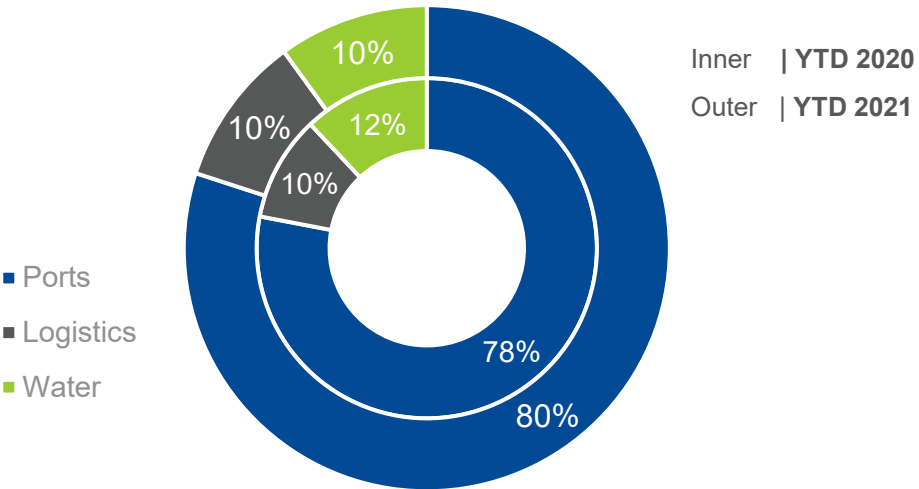


* 2021 Revenue excludes the construction revenue (notional revenue)

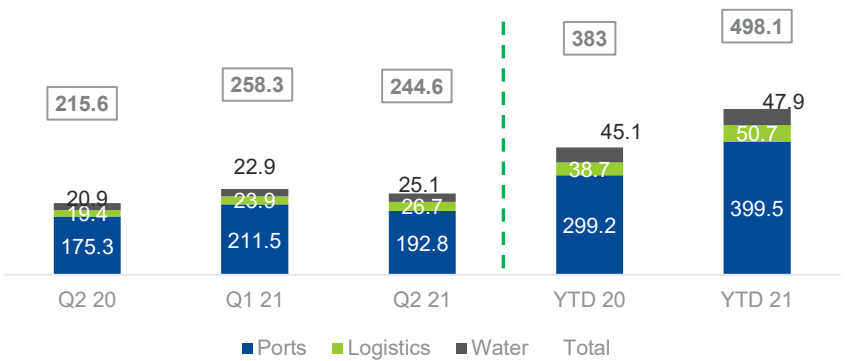
**Adjusted EBITDA and adjusted net income exclude one off reversal of provision for asset replacement costs of SAR 45.6 million

Revenue and gross profit composition

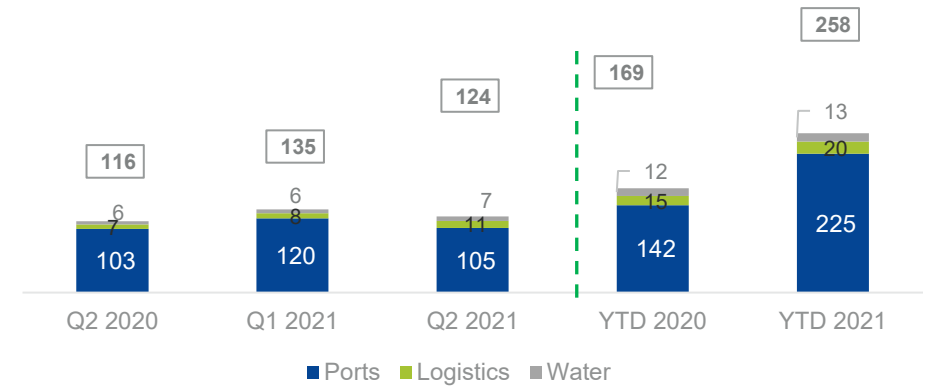
SAR millions



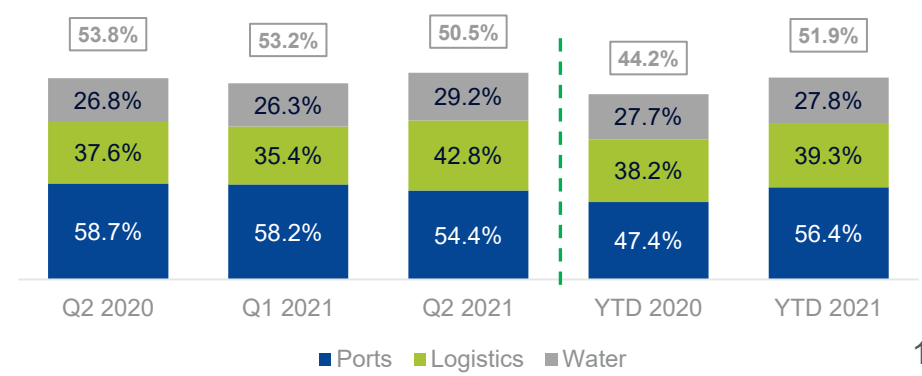
GROUP REVENUES



Gross Profit

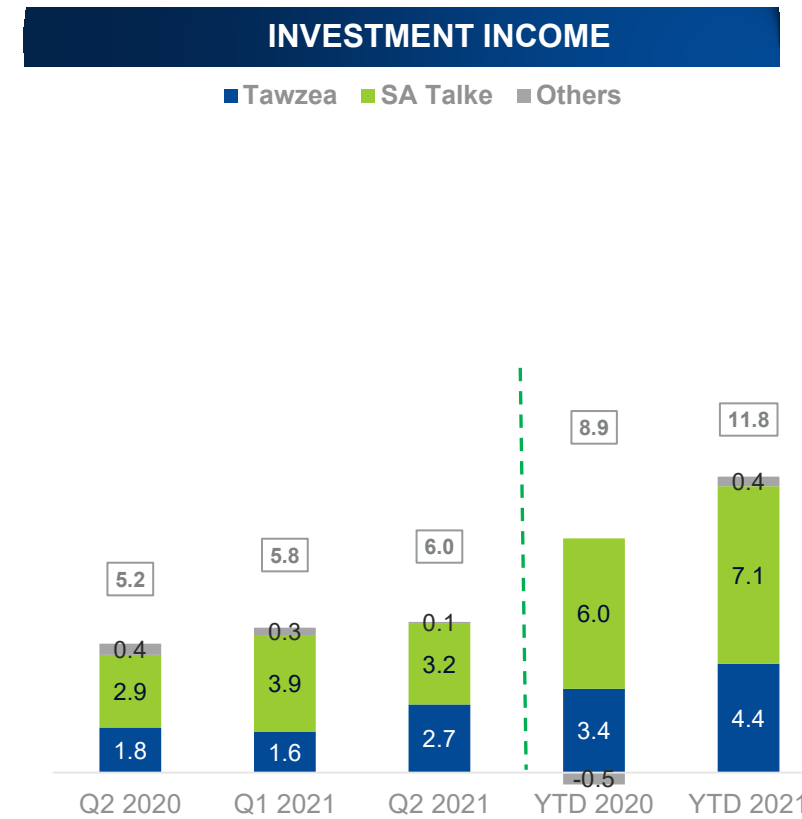
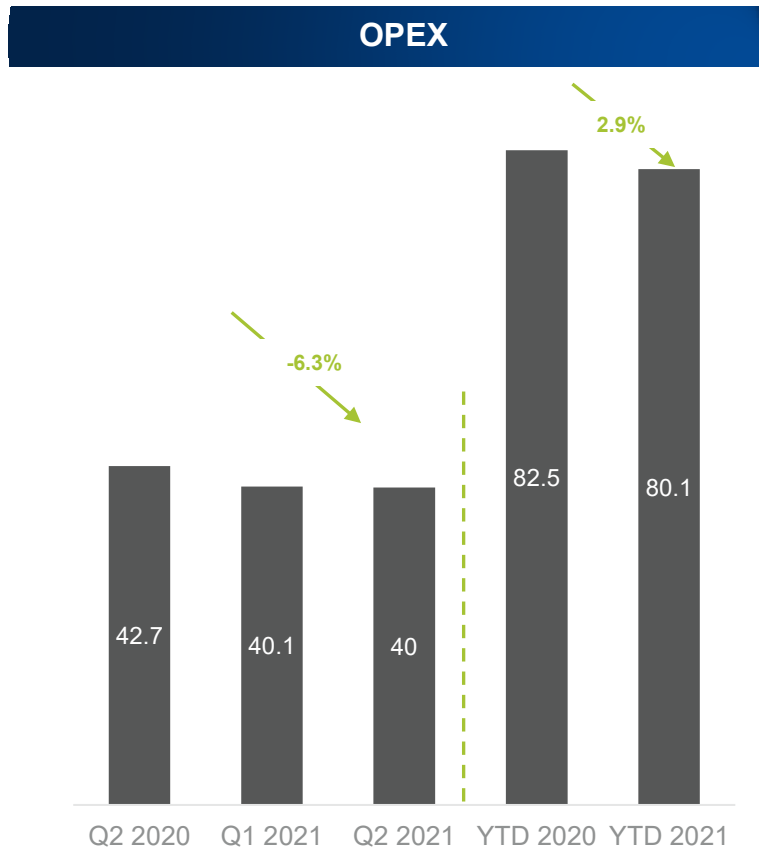


Gross Margin



Opex and investment income

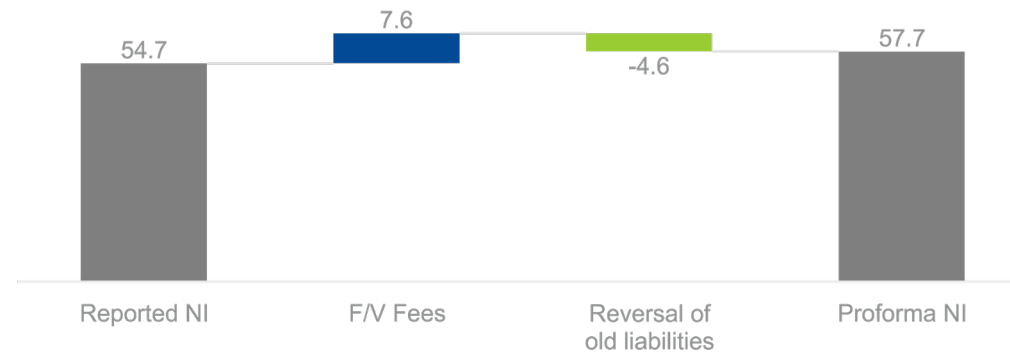
SAR millions



Net income and proforma net income bridge

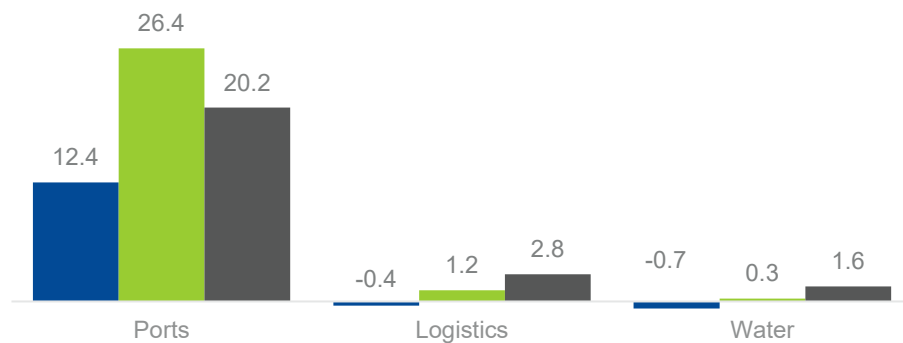
SAR millions

Proforma Net Income Bridge YTD 2021



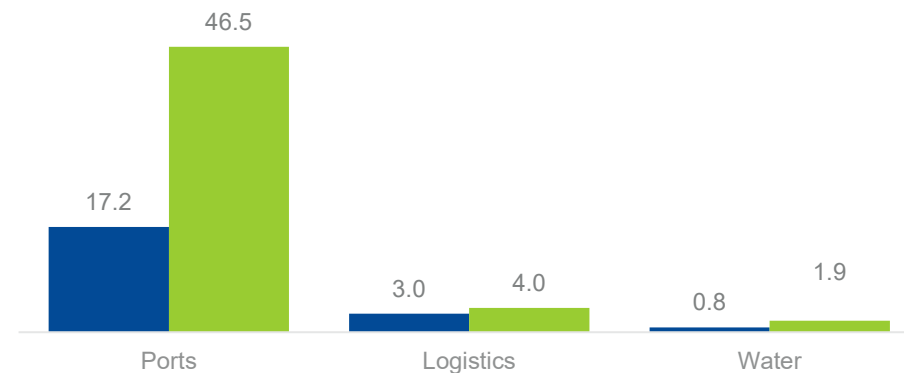
Adjusted Net Income - Quarterly

■ Q2 2020 ■ Q1 2021 ■ Q2 2021



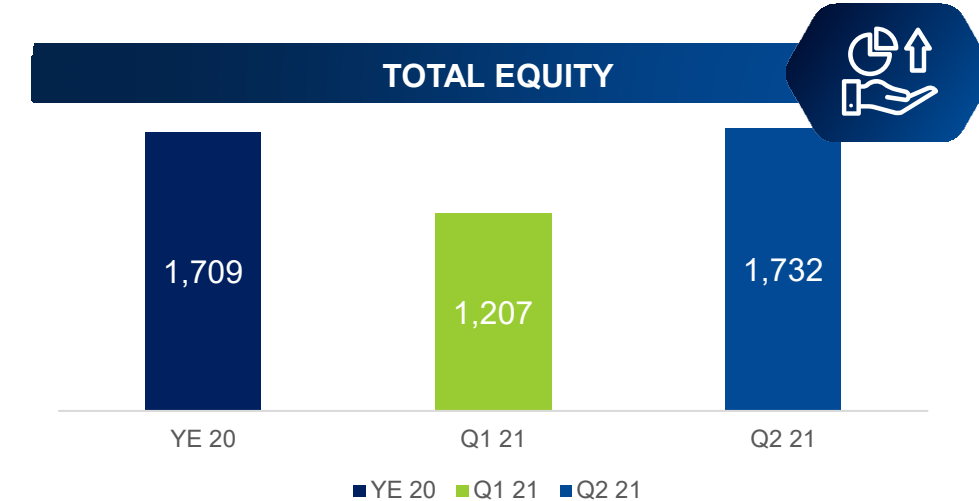
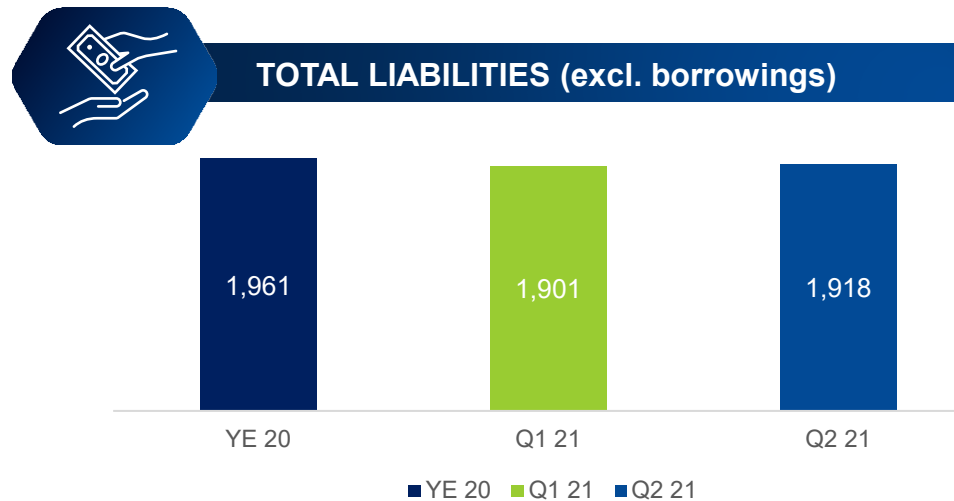
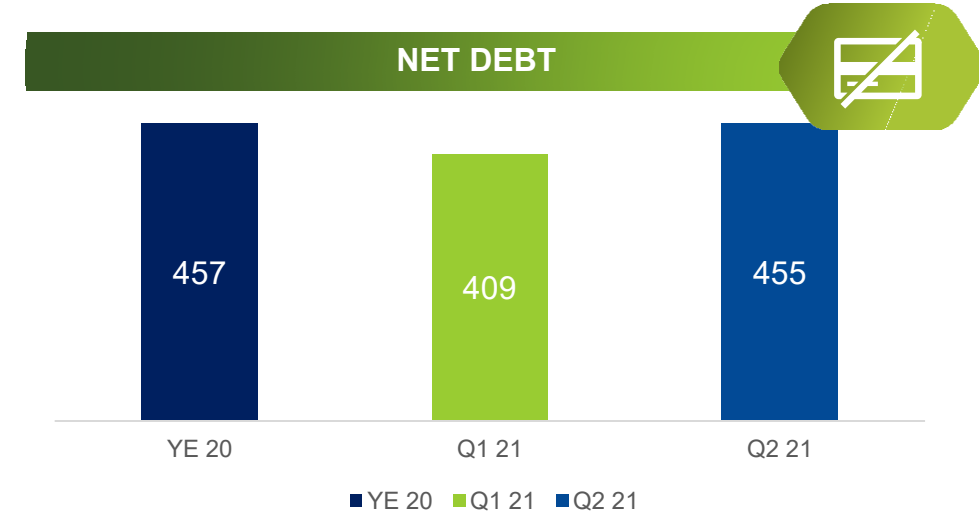
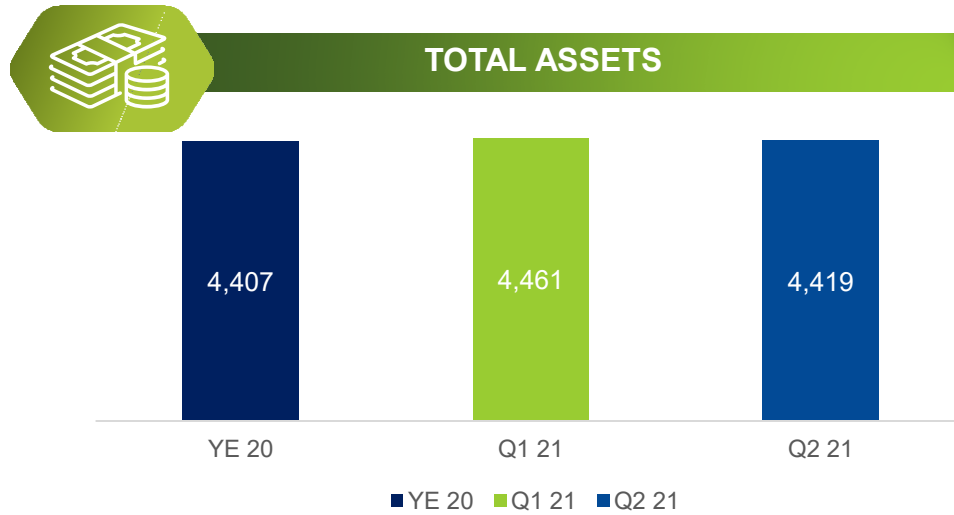
Adjusted Net Income - YTD

■ YTD 2020 ■ YTD 2021



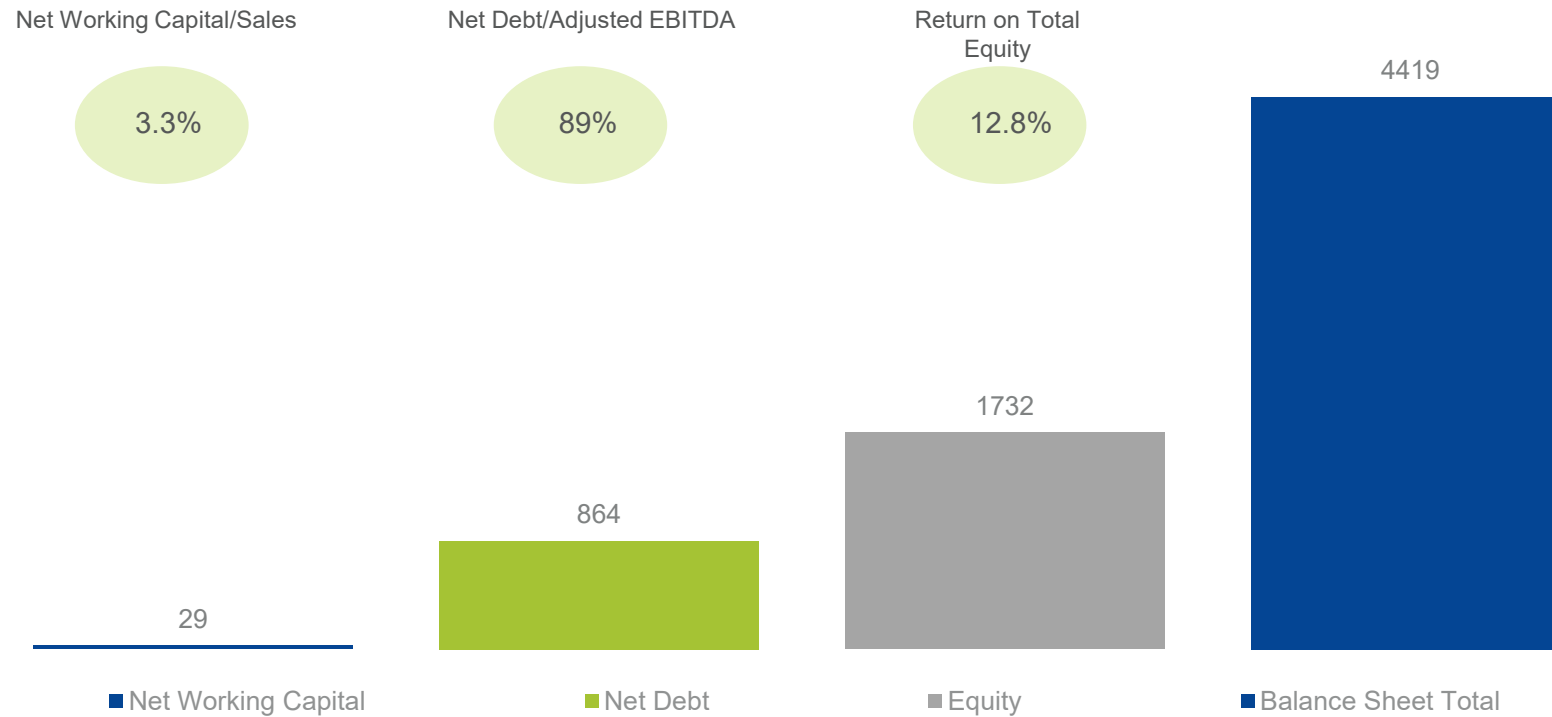
Balance sheet highlights

SAR millions



Balance sheet highlights

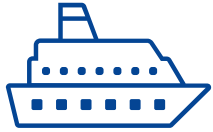
SAR millions





SEGMENTAL REVIEW

Ports & terminals | Snapshot



286 thousand TEUs
Gateway volume

↓ -8.8% vs Q2 20
↓ -8.3% vs Q1 21

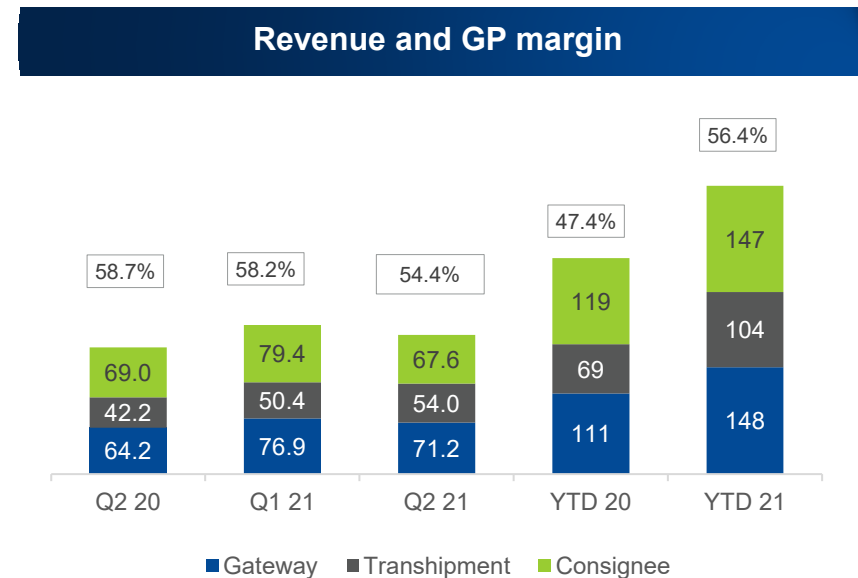
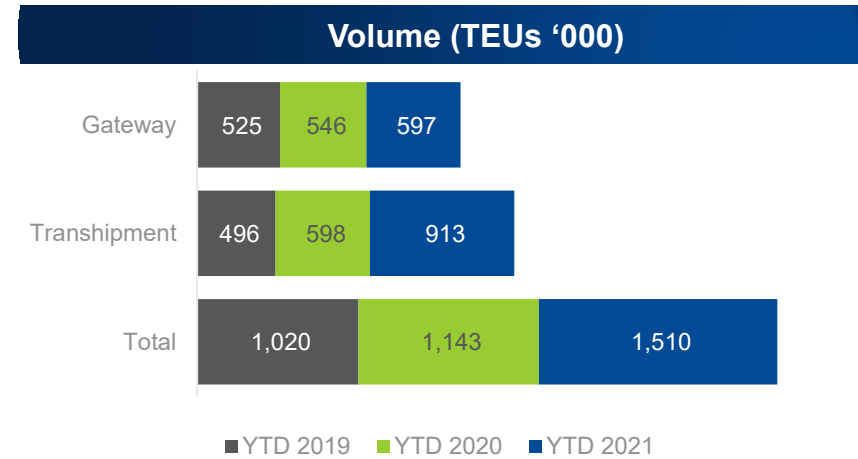
465 thousand TEUs
Transshipment volume

↑ +24.9% vs Q2 20
↑ +4.1% vs Q4 21

751 thousand TEUs
Total volume

↑ +9.5% vs Q2 20
↑ -0.1% vs Q4 21

- YTD volume increased, with strong transshipment volume
- Gateway volume under pressure



Logistics Parks & Services | Snapshot



53%
Open yard
occupancy



+13% vs Q2 20
+0% vs Q1 21

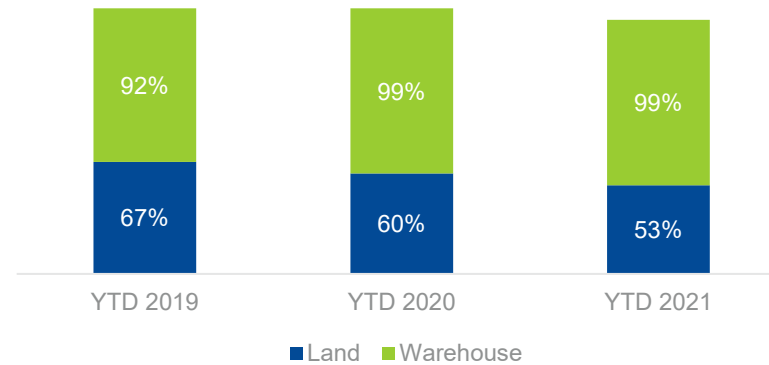
99%
Warehousing
occupancy



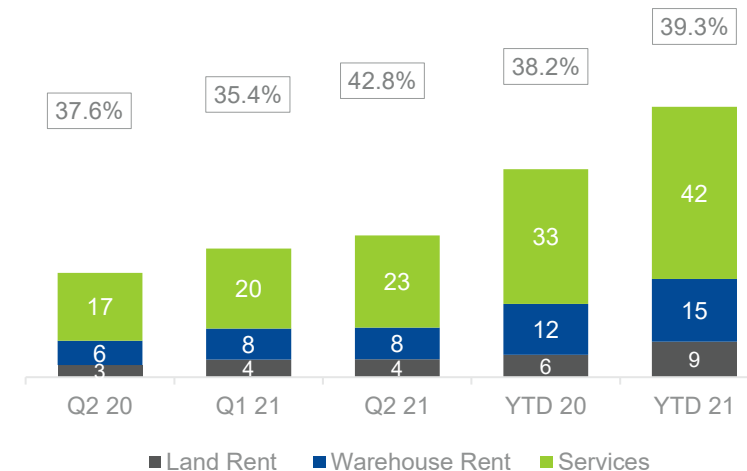
+4% vs Q2 20
+0% vs Q1 21

- Top line growth continued despite challenging market conditions
- Warehouse occupancy at 99%, demand continues to increase
- Additional warehouses under construction

Occupancy



Revenue and GP margin



Water Solutions | Snapshot



353.8 thousand m³
Rabigh volume

↑ +51.5% vs Q2 20
+26% vs Q1 21

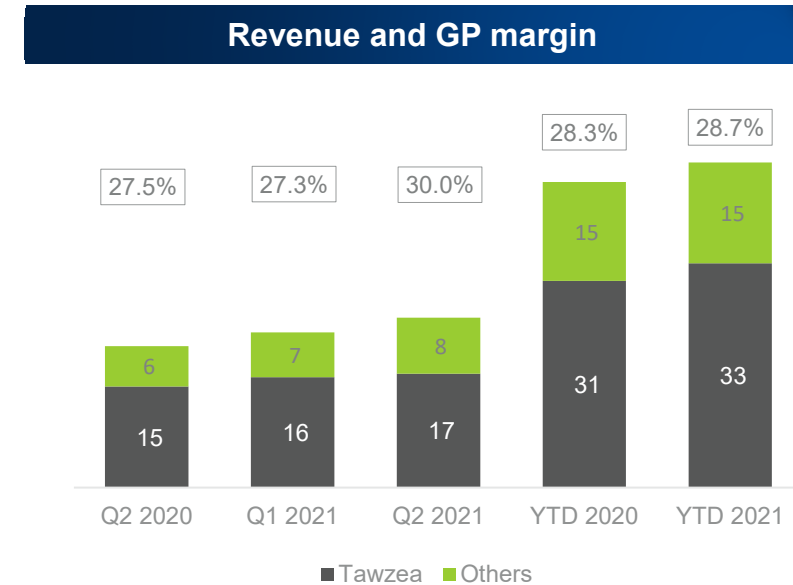
4.0 m m³
Kindasa volume

↑ +10.4% vs Q2 20
+4.2% vs Q1 21

4.4 m m³
Total volume

↑ +12.9% vs Q2 20
+5.7% vs Q1 21

- New customers secured in 1H 2021
- Water segment remains under pressure

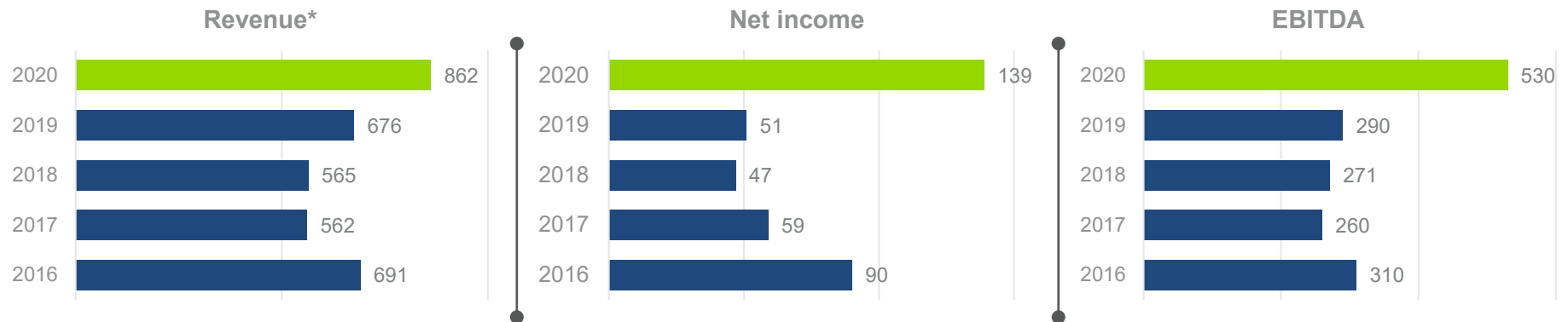


Q&A

APPENDIX

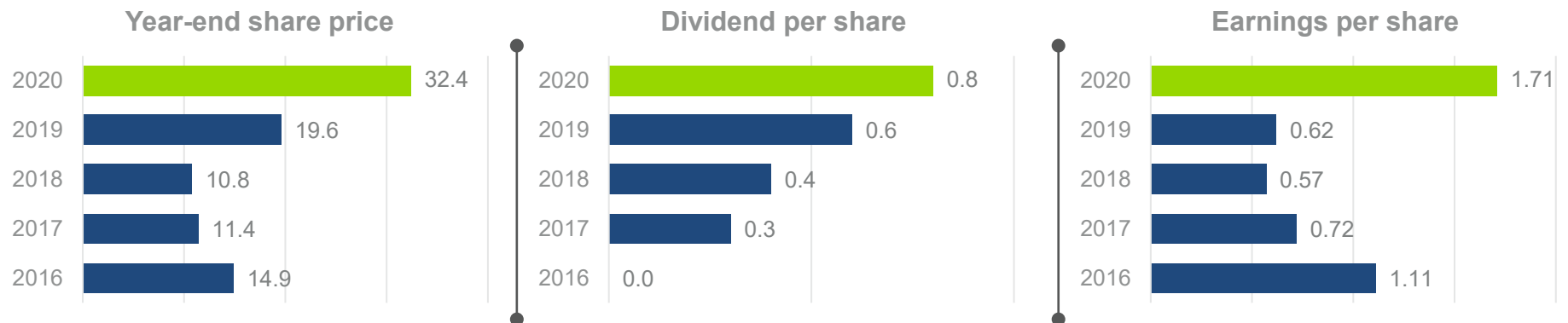
Five year performance track record

Five-year group performance (SAR m)



*2020 revenue excludes non-operating accounting revenue of SAR 159 million

Delivering shareholder value (SAR)



Ports and terminals

World-class container terminal facility and #1 in KSA

- 7 berths stretched 1,360m
- 22 of world's largest and state of the art cranes
- 136mph average berth productivity

Significant leverage to capitalise on future opportunities across the Kingdom

First privately funded BOT terminal in Saudi Arabia;
Concession extended to 2049

Proven track record of world class operational performance



2021 – 2049	
Key Length	1,500 – 3,505 meter
Capacity	5.2 (2022) – 8.8 million TEU
STS	24 - 34
RTG	67 to 106
Reefer Plugins	Steady 4900
Area	1,5m – 1,7m sqm



Logistics Parks & Services



S.A. TALKE

س.أ. تالكي

1st private sector bonded re-export zone in the KSA

Middle East logistics zone operator of the year award in 2018

Developing the Kingdom's largest onshore integrated logistics park

Provide full range of logistics support services

1,334,306
sqm of land area

630,041
Sqm of total open yard

157,738
Sq m of warehouse area

~100%
Occupancy of available warehouses

Multi User facility covering total area of 100,000 square meter

Providing Transport, Logistics and Technical services

Turn-key construction of logistic plants, storage and logistic solutions

Individual transport solutions for bulk liquids, dry bulk and packed products

Logistic analysis & consultancy, Optimisation of logistics processes, container terminals and spare parts management

Key Customers



NATPET



Logistics Parks & Services



- 1st and Largest Bonded & Re-Export Zone in the Kingdom
- Strategic Location at Jeddah Islamic Port
- (BOT) agreement with the Saudi Ports Authority
- 1 Million SQM of Land

المناطق اللوجستية Logistics Parks جنوب جدة South Jeddah

LogiPoint Logistics Parks – South Jeddah located in AL Khumra - the 2nd largest logistics hub in the Kingdom. Spread over 650,000 SQM under a build, operate, and transfer (BOT) agreement with JDURC.



المناطق اللوجستية Logistics Parks مدن الأولى جدة Modon 1 Jeddah

LogiPoint Logistics Parks – Modon 1 Jeddah located in the heart of industrial area Modon 1, spread over 120 thousand SQM under a build, operate, and transfer (BOT) agreement with MODON



منطقة الإيداع و إعادة التصدير Bonded Re-export Zone ميناء جدة الإسلامي Jeddah Islamic port

The kingdom's first and largest bonded & Re-export zone located in Jeddah Islamic Port. Spread over 1 million SQM under a build, operate, and transfer (BOT) agreement with the Saudi Ports Authority



WAREHOUSES

- ✓ Pre-Built Warehouses
- ✓ Built-to-Suite Warehouses
- ✓ Temperature Controlled Warehouses

VALUE ADDED SERVICES

- ✓ Consolidation / De-Consolidation
- ✓ Bar Coding – Labeling
- ✓ FIFO – Goods / Cargo
- ✓ Assembling

OPEN YARDS

- ✓ Container Yard
- ✓ Reefer Container Yards
- ✓ Automotive Yards
- ✓ Multi-Purpose Yards

- ✓ Packaging
- ✓ Re-Packaging
- ✓ Filing
- ✓ Distribution Services

Water Solutions



First private desalination plant producing potable water in Saudi Arabia

Rabigh plant: **5,000 m3/day** production

SAR 340 million investment in desalination facilities in JIP and Rabigh

60% market share of water to industrial customers in Jeddah

Designed capacity of **22 million m3/year**

Key Customers



الشركة الدولية لتوزيع المياه المحدودة
International Water Distribution Co. Ltd.

14 industrial cities managed
5 concessions (19 years remaining)
9 O&M projects

SAR 263+ m revenues in 2020

2,700+ factories served
300k+ inhabitants served

220,000+ m3/d PW pumping capacity
72,000+ m3/d left in concession

345+ km PW; **130+** km WW networks managed

Income statement

All amounts are in SAR Millions

	Q2 '20	Q2' 21	YTD 20	YTD 21	Variance YTD 20 Vs YTD 21	
Revenue*	215.6	244.5	382.9	498.1	115.2	30.1%
Direct Costs*	(99.7)	(120.9)	(213.8)	(239.7)	(25.9)	12.1%
Gross Profit	115.9	123.6	169.1	258.4	89.3	52.8%
Operating expenses	(42.7)	(40.0)	(82.5)	(80.1)	2.5	-3.0%
Operating Profit	73.1	83.6	86.6	178.4	91.8	106.0%
Investment Income	5.2	6.0	8.9	11.8	2.9	32.6%
Finance Cost on Bank Debt	(9.3)	(8.0)	(20.8)	(16.6)	4.2	-20.2%
Finance Cost on F/V fee	(42.1)	(42.1)	(42.1)	(84.2)	(42.1)	100.0%
Finance / Other Income	72.3	0.8	111.0	6.5	(104.5)	-94.1%
Zakat	(6.4)	(3.2)	(8.7)	(9.2)	(0.5)	5.7%
Group Net Income	92.8	37.1	134.9	86.7	(48.2)	-35.7%
Minority Interest	(36.3)	(14.6)	(51.8)	(32.0)	19.8	-38.2%
Net Income	56.5	22.5	83.1	54.7	(28.4)	-34.2%

*Excludes construction revenue and cost

Net Income Adjustments

All amounts are in SAR Millions

	Q2 20	Q1 21	Q2 21	YTD 20	YTD 21
Reported Net Income	56.5	32.3	22.5	83.2	54.7
IFRS 9 Loan Modification Gain	-	-	-	(31.9)	-
Reversal of ARO provision	(75.2)	-	-	(75.2)	-
Reversal of Old Liabilities	-	(4.6)	-	-	(4.6)
Total Adjustments on Group NP	(75.2)	(4.6)	-	(107.1)	(4.6)
Impact on SISCO NP	(45.5)	(4.6)		(64.9)	(4.6)
Adjusted Net Income	11.0	27.7	22.5	18.3	50.1

Cash flow statement

All amounts are in SAR Millions

	YTD 2020	YE 2020	YTD 2021
Operating cash flow before working capital	167.9	458.0	274.5
Net working capital movement	(6.8)	(59.0)	(137.9)
Cash generated from operating activities	161.1	399.0	135.6
Finance charges, Zakat & income tax, EOSB	(19.8)	(39.1)	(19.0)
Net cash flow from operating activities	141.3	355.9	116.6
Net cash used in Investing activities	(75.3)	(194.7)	(35.2)
Net cash used in financing activities	(116.4)	(119.8)	(49.0)
Net decrease in cash and bank balances	(50.4)	41.4	31.4
Cash at the beginning of the period	295.1	295.1	336.5
Cash at the end of the period	244.6	336.5	367.9

Balance sheet

SAR '000	YE 2020	YTD 2021
Fixed Assets	3,742,928	3,693,414
Investments	160,672	171,516
Deferred Tax	2,402	2,402
Current Assets	501,152	551,929
Total Assets	4,407,154	4,419,260
Borrowings	736,333	769,166
Long Term Liabilities	1,504,194	1,506,317
Current Liabilities (excl. borrowings)	457,050	411,391
Total Liabilities	2,697,576	2,686,874
Equity	1,709,577	1,732,386
Total Equity & Liabilities	4,407,154	4,419,260

THANK YOU



سيسكو
SISCO
الشركة السعودية للخدمات الصناعية
Saudi Industrial Services Company

Investor Relations
ir@sisco.com.sa
www.sisco.com.sa